



Hawai'i Tourism Authority

2009 ANNUAL REPORT
to the Hawai'i State Legislature
October 31, 2009

Table of Contents

I. Overview of the Hawai'i Tourism Authority (HTA)	
• Background, Mission and Organization	3
• Board of Directors & Committees	4
• Staff & Operations	5
II. Hawai'i Tourism Strategic Plan and HTA's Efforts in each of the Nine Initiatives	6
1. Access	7
2. Communications and Outreach	8-9
3. Hawaiian Culture	10-11
4. Marketing	
– Marketing Overview	12
– Leisure Marketing	13
– Marketing Partners	14-18
– Other Marketing Projects	19-21
– Business Marketing	21-22
– Sports Marketing	22-23
– Visitor Profile by MMA	24
5. Natural Resources	25
6. Research and Planning	26
7. Safety and Security	27
8. Tourism Product Development	28-30
9. Workforce Development	31
III. Hawai'i Convention Center	32
IV. Hawai'i's Visitor Industry	
• Visitor Industry Performance	33
• Visitor Satisfaction	34
• Transient Accommodations Tax	35
V. HTA Fiscal Year (FY) 2009 Actuals	36



Letter from the Hawai'i Tourism Authority

Aloha,

On behalf of the Hawai'i Tourism Authority (HTA), the state agency for tourism, we present you with our annual report for calendar year 2009. This report covers the agency's activities, accomplishments and challenges from January through October 2009.

It's been another difficult year with the looming global recession taking a toll on tourism worldwide. Competition for market share is fierce, and as a single island state competing against entire countries (as well as other states) with heftier marketing budgets, we have had to adapt our strategies in order to be heard and succeed in this new environment.

In June, the HTA Board established a new \$10 million marketing opportunity fund to provide HTA with the flexibility to timely fund initiatives which boost short-term travel to Hawai'i. \$7.6 million has since been allocated for aggressive marketing programs targeting our two main markets, North America and Japan. These monies supplemented Hawai'i Visitors and Convention Bureau (HVCB)'s and Hawai'i Tourism Japan (HTJ)'s existing 2009 programs. The preliminary results have been encouraging with an increase in Hawai'i arrivals beginning in May from our dominant U.S. West market and seasonal flights added this fall to accommodate increased travel demand from Japan.

Under HTA's direction, HVCB deployed the additional funds approved by the HTA Board for three promotional blitzes to key cities on the west coast where Hawai'i has a strong marketing presence. The intensive, month-long campaigns targeted San Francisco, Los Angeles and the Pacific Northwest region (Seattle, Portland and Vancouver). HTJ implemented a similar program in July, featuring intensive advertising, social media and promotions. Supplementing traditional marketing practices with nontraditional tools has assisted our contractors in effecting a stronger impact, as well as in reaching a new demographic of potential visitors.

We are also closely monitoring our other key markets – Asia, Europe and Oceania. Because of the groundwork laid through our marketing programs during the past year, we are poised to capitalize on the

economic recovery that some of these international markets are experiencing.


Along with increasing arrivals and maintaining market share, another key priority for HTA continues to be the maintenance of sufficient airlift. As an island state, airlift is our tourism industry lifeline and we are continuing to meet with airlines to ensure that Hawai'i has adequate access. We provided funding for 61 cooperative programs in conjunction with airlines and travel wholesalers in 2009, which expanded exposure for the overall destination and helped sustain routes at risk of cancellation.

We also continued our support of other initiatives including Hawaiian Culture, Natural Resources and Tourism Product Development. Yes, it is critical to increase arrivals during these troubled times, but we also understand the importance of protecting Hawai'i's natural resources, respecting the Hawaiian Culture, and supporting our tourism product.

Internally, we're adapting as well. Along with changes occurring worldwide, nationally and at the state level, and specifically those affecting Hawai'i's visitor industry, we've revisited our legislative responsibility and are in the process of developing a strategic plan for the HTA. This exercise has provided us with an opportunity to seek efficiencies within our organization and refocus our priorities as we move forward. Working with our board and staff, and with input from various stakeholders, we hope to have the plan in place by year-end.

In closing, we wish to acknowledge all of the many stakeholders for their hard work, commitment and support throughout the year. With tourism accounting for nearly 17 percent of our state's economy, and for more than 151,000 Hawai'i jobs, it is critical that we continue to work together as a community for the benefit of everyone in the state.

Mahalo nui loa.



Kelvin Bloom
Chair



Mike McCartney
President & Chief Executive Officer

I. Overview of the Hawai'i Tourism Authority

Background

In 1998, the Hawai'i Tourism Authority (HTA) was established through a legislative act as the lead state agency for Hawai'i's visitor industry. This same act also established the Tourism Special Fund, a set percentage of transient accommodations tax (TAT) collections that is assessed on hotels, vacation rentals and other accommodations, that is used by the HTA to market, develop and support Hawai'i's visitor industry.

Among its responsibilities as the state's tourism agency, the HTA is charged with the following:

- Setting tourism policy and direction from a statewide perspective;
- Developing and implementing the state's tourism marketing plan and efforts;
- Administering programs and activities to sustain a healthy visitor industry for the state;
- Developing and monitoring implementation of the State Tourism Strategic Plan; and
- Coordinating tourism-related research, planning, promotional, and outreach activities with the public and private sectors.

Mission

To strategically manage Hawai'i tourism in a sustainable manner consistent with our economic goals, cultural values, preservation of natural resources, community desires, and visitor industry needs.

Organization

The HTA is headed by a policy-making board of directors, which consists of 12 public, voting members representing each of Hawai'i's four counties. The board members have expertise in the area of visitor industry management, marketing, promotion, transportation, retail, entertainment, or visitor attractions. One of the board members also maintains expertise in the area of Hawaiian cultural practices. The HTA Board reports to the legislature through its president and chief executive officer.

The primary purpose of the Board is to set broad policies and directions for the HTA's activities that are:

- Consistent with the *Hawai'i Tourism Strategic Plan: 2005-2015* (State TSP). This 10-year plan identifies nine initiatives for the industry that make up the framework under which the HTA develops and implements its tactical programs and activities throughout the year; and
- In alignment with the HTA's Strategic Plan that will be developed before year-end. This new agency plan will identify goals and strategic priorities for the organization over a three-year time period.



Board Committees

Administrative Standing Committee

Makes policy recommendations relating to the administration of the Authority and makes findings and recommendations related to the evaluation of the President & CEO.

Committee members: Kelvin Bloom (chair), Sharon Weiner (vice-chair) and Douglas Chang.

Budget & Audit Standing Committee

Makes policy recommendations to ensure the financial integrity of the HTA through the proper allocation and expenditure of funds in a manner consistent with the Board's policies and objectives, and ensures that funds are properly expended under a budget previously approved by the Board.

Committee members: Vernon Char (chair), Leon Yoshida (vice-chair), Douglas Chang, Michael Kobayashi, Patricia Ewing, Ron Williams, and Stephen Yamashiro.

Marketing Standing Committee

Makes policy recommendations on initiatives related to the marketing and promotion of Hawai'i as a visitor destination, including the Hawai'i Convention Center.

Committee members: Sharon Weiner (chair), Michael Kobayashi (vice-chair), Douglas Chang, Patricia Ewing, Kyoko Kimura, Cha Thompson, Ron Williams, and Leon Yoshida.

Strategic Planning Standing Committee

Makes policy recommendations relating to research and planning for tourism in Hawai'i.

Committee members: Kyoko Kimura (chair), Patricia Ewing (vice-chair), Vernon Char, Kawaikapuokalani Hewett, and Cha Thompson.

Board of Directors

(as of October 31, 2009)

<u>Members</u>	<u>Representation</u>	<u>Members</u>	<u>Representation</u>
Kelvin Bloom, Chair President Aston Hotels & Resorts, LLC	At-large	Kyoko Y. Kimura Managing Director Hotel Wailea	County of Maui
Sharon Weiner, Vice-Chair Vice President Global Communications & Government Relations, DFS Group L.P.	At-large	Michael K. Kobayashi President Polynesian Hospitality/ Kobayashi Travel Services, Ltd.	At-large
Douglas Kahikina Chang General Manager Ritz Carlton Club & Residences Kapalua Bay	At-large	Charlene "Cha" Thompson Owner, Executive Vice President Tihati Productions	City & County of Honolulu
Vernon F.L. Char Attorney at Law Char Sakamoto Ishii Lum & Ching	At-large	Ron Williams President & CEO Atlantis Adventures, LLC	At-large
Patricia Ewing Owner Kong Lung Company	County of Kaua'i	Stephen K. Yamashiro Consultant/Attorney	County of Hawai'i
Kawaikapuokalani K. Hewett	Hawaiian Culture	Leon Yoshida President Sawayaka Hawaii, Inc.	At-large

Operations

The HTA's president and chief executive officer reports directly to the HTA Board of Directors and is responsible for assisting the Board in its responsibility to execute the mandates of Chapter 201B of the Hawai'i Revised Statutes. This includes carrying out board policies, administering HTA programs and overseeing the agency's day-to-day operations. To accomplish these tasks, an in-house staff supports the president and chief executive officer. In addition, the HTA staff work with various professionals in their respective fields to accomplish the necessary work in the areas, as outlined below:

Tourism Marketing in the Leisure and Business Segments

- Hawai'i Visitors and Convention Bureau (HVCB) for the North America Major Market Area and Corporate Meetings and Incentives (CMI) Market
- Hawai'i Tourism Japan for the Japan Major Market Area
- Hawai'i Tourism Asia for the Other Asia Major Market Area
- Hawai'i Tourism Europe for the Europe Major Market Area
- Hawai'i Tourism Oceania for Australia and New Zealand

Management and Marketing of the Hawai'i Convention Center

- SMG Hawai'i

Research and Accountability Studies

- Apperson Print Management
- D.K. Shifflet and Associates
- Global Insight, Inc.

- Hospitality Advisors, LLC
- OmniTrak Group, Inc.
- Sabre Solutions
- SMS Research & Marketing Services, Ltd.

Product Development, Natural Resources, Hawaiian Culture, and Workforce Development Programs

- City & County of Honolulu, Office of Economic Development
- Council for Native Hawaiian Advancement
- County of Hawai'i, Department of Research and Development
- County of Kaua'i, Office of Economic Development
- County of Maui, Office of Economic Development
- Kapiolani Community College
- Native Hawaiian Hospitality Association
- State of Hawai'i, Department of Labor and Industrial Relations
- State of Hawai'i, Department of Land and Natural Resources
- State of Hawai'i, Department of Transportation
- University of Hawai'i, School of Travel and Industry Management
- Other community groups statewide

Legislative and Government Affairs

- Okudara & Associates

Communications Services

- Stryker Weiner & Yokota Public Relations, Inc.
- Digital Mediums

Financial Services

- Bank of Hawaii

Staff

Mike McCartney

President &
Chief Executive Officer

Momi Akimseu

Strategic Planner

Caroline Anderson

Marketing Manager

Muriel A. Anderson

Vice President of Tourism
Product Development

Lynn D. Bautista

Contracts Specialist

Maile Carvalho

Accounting Assistant

Minh-Chau Chun

Tourism Specialist

Sharon M.L. Freitas

Director of Communications

Jadie Goo

Administrative Assistant

Irene Iha

Administrative Assistant

Lois Kajiware

Administrative Assistant

Robbie Ann A. Kane

Tourism Product
Development Manager

Grace Lee

Tourism Product
Development Specialist

Lawrence Liu

Research Statistician

Stella V. Montero

Budget/Fiscal Officer

Janna Nakagawa

Administrative Assistant

Daniel Naho'opi'i

Research & Statistics Officer

Melissa Ortega

Clerical Assistant

Winfred Pong

Projects Manager

Roann Rakta

Executive Secretary

Michele Shiowaki

Administrative Assistant

Michael Story

Sports Manager

Sarah Takemoto

Economist VI

Vengie S. Talaro

Administrative Assistant

David Uchiyama

Vice President of Tourism
Marketing

Lloyd I. Unebasami

Chief Administrative Officer

Keli'iholani N. K. Wilson

Hawaiian Cultural Coordinator



II. Hawai'i Tourism Strategic Plan and HTA's Efforts in Each of the Nine Initiatives

In 2004, the Hawai'i Tourism Authority (HTA), with assistance and input from the industry and the community, developed the *Hawai'i Tourism Strategic Plan: 2005-2015* (State TSP). This 10-year plan is focused on creating a sustainable future for Hawai'i's visitor industry and identifies a shared vision for Hawai'i tourism by industry stakeholders:

By 2015, tourism in Hawai'i will:

- Honor Hawai'i's people and heritage;
- Value and perpetuate Hawai'i's natural and cultural resources;
- Engender mutual respect among all stakeholders;
- Support a vital and sustainable economy; and
- Provide a unique, memorable and enriching visitor experience.

The plan also provides a roadmap for achieving that vision, including the following components:

- Guiding principles and Native Hawaiian values;
- Performance indicators to help measure the collective success in achieving the vision for Hawai'i's visitor industry;

- Nine strategic initiatives that were identified as the priorities needed to achieve the vision; and
- Lead and support partners in the public and private sectors that need to work together on each initiative to achieve the overall vision.

A successful and sustainable visitor industry will not be the result of the work of any one organization. This is a plan for all of Hawai'i and all stakeholders to take responsibility for their role in the plan, to work together to address issues as they arise and to achieve overall success. Therefore, consistent with the philosophy of the State TSP, the HTA develops its own agency programs and plans within each of the nine initiatives that are listed below:

- Access
- Communications and Outreach
- Hawaiian Culture
- Marketing
- Natural Resources
- Research and Planning
- Safety and Security
- Tourism Product Development
- Workforce Development

Presented over the following pages is a brief narrative of the HTA's programs and activities for each of the nine initiatives for the period of January 1, 2009 – October 31, 2009. Please note that the budgeted allocations for each of the initiatives are also provided, although these amounts may differ from the final expenditures for the year.

Access

Goal: To maintain and improve transportation access, infrastructure and services to facilitate travel to, from and within Hawai'i.

2009 Budget: \$4,500,000

For this initiative, the HTA plays a supporting role. Its primary programs include the following:

Airlift Efforts

Given the volatility of the airline industry and Hawai'i's dependence on adequate airlift to and from the state, HTA spent a considerable amount of time and resources in this area working on the following:

- **HTA's Airlift Development Program:**

The HTA's Airlift Development Program is a cooperative program with airlines and wholesalers to bring visitors to Hawai'i. The HTA provided funding for 61 cooperative programs in conjunction with airlines and travel wholesalers which were required to provide at least a 3:1 match in funds to support travel to the state during the spring and fall periods. The program seeks to attract higher spending, active visitors to Hawai'i, expand exposure for the overall destination and help sustain routes that are at risk of cancellation. In total, more than \$9 million was invested into the marketplace through these cooperative programs;

- **Addressing changes in the airline industry:** The HTA, together with the Hawai'i Visitors and Convention Bureau (HVCB), continued its relationship with the airline consulting firm, Sabre Airline Solutions and the Official Airline Guide, to monitor air access, conduct ongoing air service reviews of Hawai'i, provide recommendations on maintaining and growing domestic and international lift to Hawai'i, and assist the state with discussions with various airline carriers; and
- **Airline Meetings:** In an effort to promote and facilitate closer relations with current and potential airlines serving Hawai'i, HTA's executives have met with their airline counterparts from the U.S. East, U.S. West, Japan, Other Asia, and locally to discuss mutual concerns, operating issues, future outlooks, and proactive solutions.

Statewide Airport Greetings Program

HTA's Greetings Program seeks to provide a positive arrival and departure experience that ensures a "Hawaiian sense of place" for Hawai'i's visitors at the Honolulu, Hilo, Kona, Kahului, and Lihue airports. Through entertainment, hula, lei greetings, hospitality services, visitor information, airport displays, and other services, the spirit of aloha and the uniqueness of the islands are showcased and shared with visitors.

The Greetings Program was involved in many special events at Hawai'i's airports throughout the year, including airline inauguration flights into the islands. To commemorate Hawai'i's 50 years of Statehood, two special events were



Statehood Day entertainment by HTA's Greetings Program

added to the 2009 program. In the first, international visitors arriving on Statehood Day – August 21 – enjoyed live Hawaiian entertainment as well as a sample of Mauna Loa's limited edition Statehood Deluxe Whole Milk Chocolates. For the second, the County of Kaua'i collaborated with the Statehood Commission to showcase a "50 Years of Hula" program at the Lihue Airport which featured hula dancers of all ages, ranging from keiki to kupuna, dancing to Hawaiian music from different eras.

In 2008, a Hospitality Training Program was implemented in response to visitor concerns about the quality of customer service. The program is intended to help airport personnel improve a visitor's first and last impressions. The training program started with personnel from the Honolulu International Airport, and this year has expanded to the neighbor islands. The goal of the program is to provide employees at airports statewide with the knowledge and skills to provide quality service, information and other assistance that reflect Hawai'i's aloha spirit.

2. Communications and Outreach

Goal: To facilitate interaction among all stakeholders, improve the lines of communication and enhance greater understanding of roles, values and concerns.

2009 Budget: \$370,000

HTA conducted communications and community outreach activities to provide information to local stakeholder groups about agency initiatives, programs and plans as well as educate the public about tourism issues. Ongoing communication efforts included the following:

- News releases on HTA programs and activities;
- Monthly electronic newsletters about HTA activities and programs distributed to government officials, industry leaders and community members;
- Speeches and presentations given by HTA board members, management and staff in Hawai'i and abroad;
- Face-to-face meetings with government, industry, business, and community leaders statewide; and



HTA monthly Board Meeting



HTA's Festivals & Events Microsite

- HTA-supported Web sites:
 - **HTA's Web site** (www.hawaii-tourism-authority.org) provides an overview of the agency and information about HTA activities and programs. The site also includes requests for proposals, marketing presentations, visitor statistics information, and news releases.
 - **Travel Smart Hawai'i's Web site** (www.travelsmarthawaii.com) provides information on trip preparation, planning and safety for visitors traveling to Hawai'i; and
 - **HTA's Festivals and Events Microsite** (www.htafestivalsandevents.com) provides information on the agency's annual festivals and events seminar including program information, speaker biographies and presentations.

Public Relations Efforts

This year, HTA's media relations activities focused on educating and informing local residents about HTA programs, initiatives and efforts during these challenging economic times. Nearly 270 print articles, 74 of which were included in neighbor island publications, and 27 broadcast segments highlighted HTA's initiatives. Additional focus was placed on HTA's efforts to increase funding for marketing



HTA President and CEO, Mike McCartney (right) discusses tourism issues with Howard Dicus on KGMB's *Sunrise* morning show.

to stimulate short-term travel to Hawai'i. In addition, media briefings and interviews were scheduled with reporters from *The Honolulu Advertiser*, *Honolulu Star-Bulletin*, *Pacific Business News*, *Associated Press*, *Travel Weekly*, *KGMB*, and other media outlets.



Feature coverage of HTA

HTA also launched new communication initiatives this year:

Tourism 101

Given the various aspects of Hawai'i's visitor industry and the important role it plays in the state, HTA developed the Tourism 101 initiative to provide policy-makers with a firsthand look at Hawai'i's visitor industry and the HTA through a series of briefings with industry leaders and site visits to visitor industry-related businesses. This educational series also provided opportunities for participation and dialogue between policy-makers, industry members and HTA about tourism issues.

Hawai'i Visitor Statistics News Releases

As a result of Act 5, Special Session of 2009, the HTA began overseeing tourism research and data responsibilities previously conducted by the Department of Business, Economic Development & Tourism (DBEDT). Consequently, beginning July 2009, the HTA began developing and distributing news releases on Hawai'i's visitor statistics each month and also posting this and other visitor-related information on the HTA's Web site (www.hawaii-tourism-authority.org/monthly_stats).



Follow us @ HawaiiHTA

HTA is now on Twitter. Weekly tweets keep followers updated on HTA-related initiatives and events as well as general Hawai'i tourism info.



HTA monthly E-Bulletin

3. Hawaiian Culture

Goal: To honor and perpetuate the Hawaiian culture and community.

2009 Budget: \$1,425,000

Recognizing that the Hawaiian culture and community is what makes Hawai'i unique and therefore critical to the sustainability of Hawai'i's visitor industry, the HTA supports several programs under this initiative including the following:

Kūkulu Ola: Living Hawaiian Culture Community Program

In 2009, the HTA provided \$620,000 in funding to 25 organizations for various projects that help to strengthen and perpetuate the Hawaiian culture. The funds are awarded using the request for proposal process that includes review and evaluation by HTA's Hawaiian Culture Program Advisory Council (HCPAC) (see side bar). Some of the projects supported include PA'I Foundation's Maoli Arts Month



**Bishop Museum -
Hawaiian Hall**

(see insert); National Tropical Botanical Garden's Pi'ilanihale Historic Preservation Initiative; Papahāna Kūaola's Moloka'i Stream Study; and Bishop Museum's Nā Kukui a Pauahi: Hawaiian Hall Docent Program. A complete list of projects is available on the HTA Web site.



Pi'ilanihale Historic Preservation Initiative

Maoli Arts Month

Maoli Arts Month, an annual celebration of Native Hawaiian art and artisans each May, is one of many events supported through HTA's Kūkulu Ola – Living Hawaiian Culture Program. Events include the First Friday Gallery Walk, where visitors can enjoy the artwork of Native Hawaiian artists featured throughout the various participating galleries in Downtown Chinatown; the MAMo Wearable Arts Show; the Native Hawaiian Arts Market; and Keiki Art Festival, a two-day event that includes demonstrations, arts and crafts, food, and entertainment.



Wearable Art Show

CHRISTOPHER WARD

Native Hawaiian Hospitality Association

The HTA provides support to the Native Hawaiian Hospitality Association (NaHHA), a lead organization for the Hawaiian Culture initiative. In 2009, NaHHA focused their efforts on developing a status report on the progress of the Hawaiian Culture initiative for the industry and the community. When complete, the report will document accomplishments, areas for improvement and provide a status update of the action items identified as essential in accomplishing the priorities of the Hawaiian Culture initiative of the State TSP.

Additional Support for Hawaiian Culture Programs

In an effort to continue supporting the community, funds were set aside to partner and assist a variety of community efforts in the area of Hawaiian culture. Some of these programs include the Council for Native Hawaiian Advancement's Annual Conference, which seeks to empower and educate Native Hawaiians, and the Nā Hōkū Hanohano Awards, that helps to support Hawaiian music and artists.



Nā Hōkū Hanohano Awards

Native Hawaiian Festivals Program

The HTA provides support to Native Hawaiian signature events that perpetuate the Hawaiian culture through programs and activities for residents and visitors, including the following:

- **Prince Kūhiō Celebration** held annually in March, to honor a noted Hawaiian prince for his many achievements and contributions;
- **King Kamehameha Celebration** held each June, in commemoration of Hawai'i's first monarch, King Kamehameha I;
- **Prince Lot Hula Festival** held in July, is a non-competitive hula event that includes hālau (hula schools) from Hawai'i and abroad; and
- **Aloha Festivals** held from August through October is a long standing event that celebrates the Hawaiian culture through various activities and events on all major islands.



King Kamehameha Celebration

PHOTOPLANT INC., RAY TANAKA



Prince Kūhiō Celebration

NEIL HASEGAWA



Festivals of Aloha (Maui)



Prince Lot Hula Festival

MOANALUA GARDENS FOUNDATION

Hawaiian Cultural Program Advisory Council

In January 2004, the HTA formed the HTA's Hawaiian Cultural Program Advisory Council (HCPAC) to assist the Authority in addressing the relationship between the visitor industry, the Hawaiian culture and the community. HCPAC membership includes cultural practitioners, as well as representatives from Hawaiian community groups, the visitor industry, and from each county. Today, HCPAC continues to assist the HTA with overall guidance for its Hawaiian Cultural Program and currently includes the following individuals:

- Nā'ālehu Anthony, *Paliku Documentary Films*
- Peter Apo, *Peter Apo Company*
- Kainoa Daines, *Miramar Hotel Waikiki*
- Leona Mapuana Kalima, *Office of Hawaiian Affairs*
- Robbie Kaholokula, *Kaua'i Museum*
- Cheryl L. Ka'uhane-Lupenui, *YWCA O'ahu*
- Debbie Nakanelua-Richards, *Hawaiian Airlines*
- Ramsay Remigius Mahealani Taum, *University of Hawai'i, School of Travel Industry Management*
- Michael White, *General Manager, Kā'ānapali Beach Hotel*



4. Marketing

Goal: To develop marketing programs that contribute to sustainable economic growth.

2009 Budget: \$62,400,000

Marketing Overview for CY 2009

In response to the challenges faced by Hawai'i's visitor industry, HTA made marketing its top priority in 2009. In June, HTA's board of directors allocated 86 percent (\$62.4 million) of its FY 2010 total budget to marketing-related initiatives to help stimulate travel to Hawai'i. This includes the establishment of a \$10 million marketing opportunity fund, which provides HTA the flexibility to immediately respond and fund activities that will boost short-term travel to Hawai'i. As of October, \$7.6 million of the fund has been put into the marketplace to fund activities in North America, Japan and Oceania.

HTA also challenged its marketing partners to be more effective and efficient and to secure innovative opportunities to market Hawai'i in this changing world. Additional focus was placed on the U.S. West to capitalize on its residents' propensity to travel to Hawai'i and direct flight access from major cities. Following blitzes in San Francisco, Los Angeles and the Pacific Northwest, Hawai'i saw consecutive increases in overall visitor arrivals from the U.S. West in May through September, following 17 months of decline.

In addition, funds were used in Japan to stimulate travel during the summer months.



HTA delegation meeting with JTB Metropolitan executives during a recent trip to Japan.

Following the H1N1 flu outbreak in April, many travelers from Asian countries, especially Japan, temporarily postponed their travels. A positive indication for travel from Japan came during summer and "Silver Week" in September with Japan Airlines adding 31 flights to accommodate travel demand to Hawai'i.

Although there was not an immediate spike in visitor arrivals from Korea following the implementation of the Visa waiver program in 2008, there have been positive indicators this year. Notably, arrivals have increased 25 percent over 2008 for the period of January – September.

HTA and its marketing contractors, together with visitor industry stakeholders, have worked diligently to implement 2009 marketing plans. The HTA will continue to aggressively pursue opportunities to market Hawai'i. The following section details this year's marketing highlights for each market.

MARKETING CATEGORIES

Budget (in \$ millions)

Leisure Marketing (FY 09)	\$32.89
Hawai'i Arts Program (FY 09)	\$0.13
Corporate Meetings & Incentives (FY 09)	\$2.76
Hawai'i Convention Center (FY 09)	\$4.50
Marketing Flexibility Fund (FY 09)	\$2.00
Other Marketing Fund (FY 09)	\$1.05
Reallocated Marketing Funds (FY 09)	\$2.00
Marketing Opportunity Fund (FY 10)	\$10.12
Sports (FY 09)	\$6.73
HTA Marketing Projects (FY 09)	\$0.22
TOTAL	\$62.40

Within the marketing initiative, HTA's primary marketing efforts are categorized as listed in the table above.



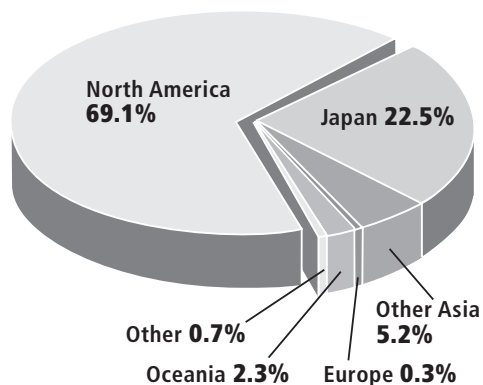
Eight additional flights helped accommodate demand for travel from Japan to Hawai'i during Silver Week.

Leisure Marketing

The HTA contracts with five marketing organizations: Hawai'i Visitors & Convention Bureau (HVCB), Hawai'i Tourism Japan (HTJ), Hawai'i Tourism Oceania (HTO), Hawai'i Tourism Asia (HTAsia), and Hawai'i Tourism Europe (HTE) to promote Hawai'i in the major market areas (MMAs), which include U.S. East, U.S. West, Japan, Canada, and the other developing international markets.

Of the total leisure marketing budget, over 90 percent of the funds were allocated to Hawai'i's two largest source markets: North America (U.S. West, U.S. East and Canada) and Japan.

MMA Allocations for CY2009



2009 LEISURE BUDGET*

MMAs	Budget (in \$ millions)
N. America	\$28.088
Japan	\$9.147
Other Asia	\$2.120
Europe	\$0.103
Oceania	\$0.925
Other	\$0.265
TOTAL	\$40.648

*Totals include base budgets plus additional funds from HTA's marketing opportunity fund for programs to stimulate short-term travel.

In addition to traditional marketing efforts, the HTA directed its marketing partners to develop innovative, out-of-the-box activities to bring visitors to the islands. The HTA also implemented educational programs for travel trade through workshops and seminars in order to provide retail agents with up-to-date, compelling and interesting information to sell Hawai'i to consumers.

Marketing Partners

Hawai'i Visitors & Convention Bureau (HVCB)

North America

Jay Talwar, Senior Vice President, Marketing
Tel: (808) 924-0220

Email: jtalwar@hvcb.org

Web sites: www.gohawaii.com

www.somuchmorehawaii.com

Corporate Meetings & Incentives

Mike Murray, Vice President, Sales & Marketing, Corporate Meeting & Incentives
Tel: (808) 924-0253

Email: mmurray@hvcb.org

Web site: www.meethawaii.com

Hawai'i Tourism Japan (HTJ)

Japan Office

Takashi Ichikura, Executive Director

Tel: 81 (03) 3573-2511

Email: tichikura@htjapan.jp

Web site: www.gohawaii.jp

Hawai'i Office

Keiko Fujita, Hawai'i Project Coordinator

Tel: (808) 924-0248

Email: k.fujita@htjapan.jp

Hawai'i Tourism Asia (HTAsia)

Masaki Sakamoto, Director

Tel: 81 (90) 5568-9373

Email: msakamoto@aviareps.com

China (Hawai'i Tourism China) –

Shanghai Office

David Sun, Travel Trade Marketing Director

Tel: 86 (21) 6359-1523

Email: dsun@aviareps.com

Web site: www.gohawaii.cn

China (Hawai'i Tourism China) –

Beijing Office

Cynthia Zhou, Director

Tel: 86 (10) 8532-5213

Email: czhou@aviareps.com

Web site: www.gohawaii.cn

Korea (Hawai'i Tourism Korea)

Emily Kim, Marketing Director

Tel: 82 (2) 777-0033

Email: ekim@aviareps.com

Web site: www.gohawaii.or.kr

Taiwan (Hawai'i Tourism Taiwan)

Jemy See, Account Director

Tel: 886 (2) 2377-4930

Email: jsee@aviareps.com

Web site: www.gohawaii.org.tw

Hawai'i Tourism Europe (HTE)

Continental Europe

Christine Klein, Account Manager

Tel: 49 (89) 23662197

Email: cklein@aviareps.com

Web site: www.hawaii-tourism.de

U.K. and Ireland

Mirjam Peternek, Director

Tel: 44 (0) 1865 237 990

Email: mirjam@lemongrassmarketing.com

Hawai'i Tourism Oceania (HTO)

Australia

Helen Williams, Country Manager

Tel: 61 (2) 9286 8936

Email: hwilliams@hawaiiitourism.com.au

Web site: www.gohawaii.com/au/

New Zealand

Darragh Walshe, Country Manager

Tel: 64-9-9772234

Email: dwalshe@hawaiiitourism.co.nz

Web site: www.gohawaii.com/nz/

SMG Hawai'i

Neil Mullanaphy, Hawai'i Citywide &

Convention Sales, Executive Director

of Sales & Marketing

Tel: (703) 647-7410

Email: nmullanaphy@hccsmg.com

Web sites: www.hawaiiiconvention.com

www.BusinessAloha.com

North America is Hawai'i's largest source market for visitors and includes Canada, the U.S. West (which is defined as the 11 Pacific states west of the Rockies) and the U.S. East (all other states).

With double-digit declines out of the domestic market in 2008, and a grim forecast for 2009 at the beginning of the year, the HTA directed HVCB to:

- Aggressively increase visitor arrivals to the islands by focusing on specific West Coast cities that the majority of Hawai'i's visitors come from;
- Communicate messages of Hawai'i values and deals in the marketplace;
- Integrate and improve the *gohawaii.com* Web site for efficiency purposes; and
- Continue its overall Hawai'i branding messaging.

HVCB's highlights for the year include the following:

- Enhancement of the *gohawaii.com* Web site included integration of the island chapters and most of HTA's international marketing

NORTH AMERICA

contractors' Web sites, creating a consistent marketing message worldwide;

- Month-long market blitzes in the San Francisco Bay area, greater Los Angeles, and the Pacific Northwest markets to capitalize on short-term propensity to travel despite economic turmoil. In the San Francisco Bay area program, a different island was featured each week on a platform of creative outdoor advertising, print ads, television programming, a campaign microsite, and Aloha Friday events. Over 50 media stories were generated with an estimated 27 million impressions;
- A first-ever American Express integrated program that blanketed all American Express channels with Hawai'i messages and offers, call center training, and the ability to measure resulting spending in Hawai'i;
- The *Stories of Hawai'i* integrated marketing program won numerous awards from Hospitality Sales and Marketing Association

International – a Platinum and Gold Award in Web Marketing for the Web site; a Gold Award in Web Marketing for the banner ad; and a Silver Award in Advertising Campaign for the integrated campaign. *Stories* also positively impacted consumers' intention to travel to Hawai'i and their awareness of key brand attributes; and

- A Disney/ABC cross-media marketing program showcased Hawai'i across multiple media channels – on-air ad flights, broadband full-episode players, ABC local media carousels, *abcnews.com*, online video pre-roll, banners, and brand integrations with the *Stories of Hawai'i* campaign, achieving both national and spot market coverage. Stations in key markets such as Los Angeles, San Francisco, Seattle, Chicago, Dallas, Phoenix, and New York featured integrated Hawai'i stories in their locally-produced programming.



Disney/ABC Cross Media Marketing Program



Stories of Hawai'i Web site



Gohawaii.com Web site



Los Angeles Blitz

JAPAN

Japan is the largest source of international visitors to Hawai'i and boasts one of the destination's biggest daily spenders. As arrivals declined in 2008, and 2009 was forecasted for a larger decline from the previous year, marketing efforts were refocused to successfully promote longer stays and drive visitor arrivals to Hawai'i.

In 2009, the HTA directed HTJ to:

- Develop activities to drive visitors to Hawai'i within the year;
- Communicate new and renewed reasons and ways to travel through the islands;
- Create efficiencies in order to get more funds into the marketplace;
- Combat issues arising from the H1N1 epidemic; and
- Educate the travel trade – especially agents who had not been to Hawai'i.

HTJ's highlights for the year include the following:

- Launched the *Hawai'i 50 Select* campaign,

a list of recommended places and activities to celebrate special occasions on the six major islands of Hawai'i;

- Executed familiarization (fam) tours to Hawai'i with key airlines during spring 2009. In March, Korean Airlines celebrated its 40th anniversary by bringing 20 travel agents and media to experience O'ahu. In May, to commemorate its 50th anniversary, China Airlines brought 50 travel agents to O'ahu and Maui, followed by Japan Airlines, which brought 90 Japanese travel agents to O'ahu and Hawai'i Island for its annual trade fam tour;
- Capitalized on the media coverage generated by the Hawai'i visit of Japan's Emperor and Empress in July, by developing a multifaceted advertising campaign featuring the *Hawai'i 50 Select* campaign, a print ad in the *Yomiuri* Newspaper and a one-week TVCF campaign in Tokyo, Osaka, Nagoya, Sapporo, Sendai, Hiroshima, and Fukuoka.

In addition, for the first time, a train gallery ad campaign from July through August was launched, saturating major train lines in Tokyo and Osaka with Hawai'i images;

- Collaborated with a Japanese travel company to organize retail travel agency *Discover Hawai'i Day* promotions from July 17-23, in order to stimulate immediate travel. The events increased destination awareness and education among consumers and travel agents, received television and magazine media exposure and generated immediate bookings following the events; and
- Worked with the most popular bloggers from *Ameba*, a popular blog site, to promote Hawai'i. The bloggers wrote about the campaign initiatives and their previous visits to Hawai'i, as well as participated in a Hawai'i fam tour.



Hawai'i 50 Select Ad Campaign



Airline FAM Tour



Blogger FAM Tour

OTHER ASIA

HTAsia 2009 marketing activities focused primarily on the markets of South Korea and China, two high potential markets for visitor growth. The additional service to Hawai'i by Korea Airlines earlier this year has helped Korean arrivals to Hawai'i remain strong. For the China market, there was good news as Hainan Airlines received approval in October 2009 to provide direct service from Beijing to Hawai'i beginning in 2010.

The HTA instructed HTAsia to concentrate on:

- Working with the airlines to increase lift and direct service to Hawai'i, particularly for Korea and China;
- Raising visibility and top-of-mind awareness of Hawai'i as a destination to major media throughout Asia;
- Educating and motivating the travel trade to more aggressively package and sell Hawai'i;
- Aggressively targeting the leisure incentive groups from Korea; and

Supporting television initiatives and guide-book publications that showcase Hawai'i. HTAsia's highlights for the year include the following:

- HTAsia (Korea, China, Taiwan) invited 46 key travel agents to Hawai'i for fam tours in March, which included various neighbor island itineraries;
- Hawai'i Tourism Korea (HTK) conducted the fifth Hawai'i Travel Mission to Seoul and Busan, with 24 delegates from Hawai'i participating, more than double the number of the previous year, illustrating Hawai'i's growing interest in the Korean market. The programs provided great opportunities for Hawai'i partners to interact with more than 350 travel trade, airline and media in both cities;
- HTK capitalized on the Visa Waiver Program in Korea and increased seat capacity as a result of Korean Air upgrading to a larger aircraft, by conducting a direct consumer ad campaign to deliver the message that

Hawai'i is available and affordable. The campaign ran from May to July in major daily newspapers, travel trade weekly publications, consumer fashion/lifestyle monthly magazines, and outdoor media such as bus/taxi shelters and buses;

- Hawai'i has become the first destination to partner with CITIC Bank, one of China's largest banks, with the creation of a new Visa credit card with the Hawai'i logo and image. Hawai'i Tourism China (HTC) continues to support CITIC Travel to promote various Hawai'i packages to all cardholders;
- HTC launched a campaign with Japan Airlines (JAL) Beijing to promote Hawai'i free and independent traveler (FIT) packages in the Beijing market; and
- HTC developed a new Hawai'i six-day FIT package with the support of JAL Shanghai and three leading outbound wholesalers, from September 2009 – January 2010.



CITIC Bank Hawai'i's credit card



Korea Ad Campaign



Travel Agent FAM Tour to Hawai'i



FIT Package promotion with JAL Shanghai

OCEANIA

Comprised of Australia and New Zealand, the objectives for this market have been to increase airlift to the islands and grow Hawai'i's presence in market. 2009 efforts were focused on:

- Growing public relations efforts to promote Hawai'i via television, print and online media;
- Developing airlift to the Hawaiian islands; and
- Educating the travel trade and working with them on co-operative marketing campaigns.

HTO's highlights for the year include the following:

- Two weeks of free television promotion on Australia's top travel show, *Getaway*, featuring O'ahu, Maui, Moloka'i, Lāna'i, Kaua'i, and Hawai'i in what was the largest promotion of all Hawaiian Islands in the Australian marketplace. To enhance the exposure, HTO, in conjunction with Hawaiian Airlines and Hilton Hawai'i, ran a competition for viewers to win an eight-night stay in Hawai'i;

- In conjunction with Jetstar Airlines, HTO arranged a live broadcast on Australia's most popular morning TV show *Sunrise* from Aug. 31-Sept. 4. The show featured different locations throughout O'ahu, providing viewers with travel ideas and inspirational imagery;
- The annual Aloha Down Under road show, held in May, highlighted Hawai'i's 50th Anniversary of Statehood as well as unique, cultural experiences on the islands. The event featured 21 Hawai'i participants and attracted more than 600 agents who attended the roadshow in Australia;
- Bringing the Australian travel community to Hawai'i to experience the destination first hand remained a high priority for HTO. Despite shrinking budgets and staffing challenges of HTO's Australian travel partners, HTO coordinated 10 groups of travel agents

(150 participants) to visit Hawai'i (representing a 45 percent increase over 2008);

- New Zealand's largest newspaper, *The New Zealand Herald*, showcased Hawai'i in a major campaign based around unique Hawai'i experiences. The promotion featured noted travel editor Jim Eagles who wrote 15 stories about his unique experiences throughout the islands. The stories were linked to a prize promotion for readers of both the print and online newspapers to enter their favorite unique Hawai'i experience; and
- HTO initiated the very first Air Pacific co-op campaign in the New Zealand market in an effort to increase the air access options to Hawai'i. The campaign was a culmination of the successful schedule change negotiations, which resulted in a new, shorter transit in Fiji for New Zealand travelers connecting to the Air Pacific Sunday flight to Hawai'i.



Aloha Down Under



Australia's Getaway TV Show



Australia's Sunrise TV Show



Travel Editor Jim Eagles of The New Zealand Herald Newspaper

EUROPE

In 2009, HTA reduced its overall efforts for Hawai'i in the European marketplace and prioritized its marketing efforts specifically in the German and the United Kingdom (UK) markets. Emphasis was placed on travel trade training, sales calls and fulfillment of requests from consumers, travel trade and media. HTE was also able to facilitate in-market travel trade and Hawai'i partners and conduct several campaigns throughout the year.

HTE's highlights for the year include the following:

- Dertour partnership in cooperation with Hussel, a large sweets company in Germany, to highlight its summer fruit jellies with a Hawai'i trip raffle. The June promotion took

place in 300 shops throughout Germany. In total, more than 10,000 consumers participated in the raffle;

- A group fam trip for product managers from key German and UK tour operators (FTI Touristik/Germany, Thomas Cook/Germany, United Vacations/UK and Seasons in Style/UK) took place in August. The group visited the islands of O'ahu and Kaua'i to familiarize themselves with various properties and activities on both islands;
- Hawai'i received great coverage in *Condé Nast Traveler* with a full-page article in its *Active Traveler* section. With a total circulation of 85,000, *Condé Nast Traveler* is the UK's leading monthly consumer travel publication;

- United Vacations and United Airlines launched a large scale Hawai'i promotion in the UK to promote travel to Hawai'i in the fourth quarter of 2009 and the first quarter of 2010. The promotion includes a viral campaign, direct mail pieces to more than 100,000 consumers, a mini-brochure and a national newspaper component; and
- The Aloha Up-N-Over Sales & Media Mission took place October 25-30, in the cities of Frankfurt, Hamburg and London. Nine Hawai'i partners joined the mission, training over 200 agents at various events, meeting with tour operators, and speaking to media about Hawai'i and their products.



United Airlines promotion



Condé Nast Traveler ad



Hawai'i raffle promotion in Germany

Other Marketing Projects

Industry Stakeholder Marketing Meetings

The HTA continued its efforts to bring key industry stakeholders together to participate in the planning process with HTA's marketing contractors on their respective 2010 annual tourism marketing plans, through stakeholder meetings. The meetings, which occurred in March, June and August of this year, have resulted in an active exchange among HTA, the visitor industry and HTA's marketing contractors, and improved collaboration and support in all of the MMAs.

Japan Hawai'i Tourism Council

The Japan Hawai'i Tourism Council (JHTC) was established last year and is comprised of more than 60 top government and industry executives from Japan and Hawai'i's visitor industry. Its purpose is to continue the relationship between Hawai'i and Japan, and address issues and opportunities relating to tourism.

JHTC's Hawai'i and Japan subcommittees met throughout the year to address various issues as it related to service, marketing, airlift,



Japan Hawai'i Tourism Council members meet in Tokyo to discuss issues and solutions to visitor industry challenges.

and meetings, incentives & conventions.

On September 14, the entire council met in Tokyo, Japan to discuss the actions and results that the various committees conducted and to determine next steps for 2010.

Blogger Fam and So Much More Hawai'i Blog

With support from HVCB, its island chapters (Big Island Visitors Bureau, Kaua'i Visitors Bureau, Maui Visitors Bureau, and O'ahu Visitors Bureau) and visitor industry partners, HTA hosted Hawai'i's first social media fam tour from May 27 – June 4. Personalized itineraries were developed by HVCB's island chapters for each of the eight bloggers invited to attend the two-week, four-island fam. Bloggers that participated in the fam included a foodie blogger from New York City; a family travel blogger from Austin, Texas; an eco-tourism blogger from San Francisco; a conference and event planner from Las Vegas; a social media director; a value blogger and new media producer from Portland, Oregon; a solo getaway blogger from Los Angeles; and the founder of Cilantro Media. In addition to the fam tour, HTA developed a new blog site, *somuchmorehawaii.com*. The HTA social media fam participants posted stories on their personal Web sites, along with HTA's new Web site. Guest bloggers were also welcomed to share their Hawai'i experiences on the site. Dialogue on the blog also served to evaluate how Hawai'i's product and experiences are received, allowing open dialogue on those subjects and experiences touched on during the fam.

2009 Mahalo Month

A new initiative for 2009 implemented by HTA was the Mahalo Month program, designed as a destination educational program to increase visits during the spring shoulder period – April and May – to Hawai'i by travel professionals (e.g., retail agents, tour operator staff and reservation center agents). Thanks to the more than 100 deals and specials offered by Hawai'i visitor industry partners, more than 1,900 individuals registered to view the Mahalo Month offers on the Web site *mahalomonth.com*. The majority of the registrants were from the U.S., Canada, Australia, Japan, and Germany.



Mahalo Month membership card

Below are highlights from the Mahalo Month online evaluation survey:

- 95 percent of the respondents strongly agree/agree to the statement "I am using my recent experience in Hawai'i to sell and promote Hawai'i to my clients."
- 97 percent of the respondents strongly agree/agree to the statement "I will encourage my colleagues to take advantage of Mahalo Month."
- 89 percent of the respondents were overall "very satisfied" with their trip to Hawai'i.
- 74 percent of the respondents said they would participate in Mahalo Month in 2010.

Due to the success of Mahalo Month for Travel Professionals this year, the HTA will continue the program in 2010.

Other Marketing



Honolulu's Chinatown

New Images to the Knowledge Bank

To bring a fresh, continually updated new look for the travel trade and media to portray Hawai'i, HTA invested additional resources to increase HVCB's photo library, the Knowledge Bank, by adding 455 new images for public use and 700 new photos for media. The Knowledge Bank, managed by the HVCB, continues to be an important resource for travel media looking for professional photography to accompany their Hawai'i stories, and for travel professionals looking to enhance their Hawai'i promotional materials. It is also available for those in the travel industry and media to use to promote Hawai'i as a visitor destination. The new photos which have a more contemporary look, include images such as the lava flow on Hawai'i Island, the arts and culture scene in Honolulu's Chinatown, and shots of May Day and Aloha Festivals. In addition, the HTA also created efficiencies with the cross-utilization of images by directing its marketing contractors to seek worldwide usage rights so that it would be available to all marketing contractors.

Marketing Hawai'i's Arts & Culture

To showcase the diversity of culture and arts Hawai'i has to offer throughout the year, the HTA carried out several efforts as described below:

- Contracted with Pacific Network to showcase Hawai'i's arts and culture activities, events and organizations on its Internet network and Web site. With a focus on pre-arrival marketing, potential visitors looking to connect more closely with Hawai'i's host and multi-cultures can access information such as calendar listings of cultural events and activities on the Pacific Network Web site, while they are still in their decision-making process;
- Provided its marketing contractors with information throughout the year on Hawai'i's arts and culture activities so they can be promoted to the media and potential visitors; and
- Encouraged its marketing contractors to promote Hawai'i's arts and culture through their marketing campaigns, activities and online.



Pacific Network Website



Online Marketing Initiative

To increase online marketing efficiencies, the HTA continued efforts with the HVCB to centralize its marketing contractors' Web sites under one physical location. While the respective market's identity is still maintained, centralizing the Web sites allows for improved cross utilization of assets for all markets, in addition to elevating Hawai'i's online representation. In 2008, the initial phase of the online initiative took place. Results include improved integration of the island chapter Web sites into HVCB's site - *gohawaii.com*, better cross-selling of the islands, and improved navigation between the islands. The English-language Web sites (Oceania and U.K.), and Germany's, are now on the HVCB's platform with the other markets to follow. The *somuchmorehawaii.com* social networking platform will also be integrated into the *gohawaii.com* site.

2009 International Pow Wow

The HTA, HVCB's island chapters, and HTA's international marketing partners representing Europe, China and Oceania, along with 22 Hawai'i vendors, participated in the U.S. Travel Association's 2009 International Pow Wow. This event, held in May in Miami, Florida, brought international wholesalers and tour operators face-to-face with domestic suppliers (i.e. destination management organizations, hotels, receptive operators, retail, airlines, and attractions), and provided HTA and its marketing team the opportunity to establish new as well as support existing travel relationships. The HTA marketing team scheduled 150 appointments with international wholesalers, tour companies and media and distributed an all-island media release highlighting the latest destination news to 400 international and domestic journalists.

Heritage Sites of Hawai'i and the Warrior Marker Program

The HTA is in the process of enhancing HVCB's Warrior Marker Program with the establishment of an identification marker that recognizes 22 significant historical, cultural and environmental sites found throughout the Hawaiian Islands. These specific sites which will be known as "Heritage Sites of Hawai'i," are the "must-see" significant sites of Hawai'i and were selected using input from the island visitor bureaus. The HTA is working with HVCB to incorporate the program throughout its *gohawaii.com* Web site in addition to developing collateral materials with information about the Warrior Marker and the "Heritage Sites of Hawai'i." The new "Heritage Site of Hawai'i" signs are scheduled to be up by year end.

Business Marketing

The strategy for business marketing is to promote Hawai'i as a preferred destination for business tourism (to attend a meeting, convention or incentive conference) by increasing promotional presence and brand identity of the destination on a global basis. In 2009, the Hawai'i Convention Center's (HCC) sales and marketing department of SMG Hawai'i and the HVCB's Corporate Meetings and Incentives (CMI) Department focused on:

- Aggressively branding Hawai'i as a business destination – Hawai'i is an excellent place for corporate meetings and incentives;
- Expanding sales efforts through collaborative partnerships;
- Increasing leads and bookings;
- Aligning deployment of staff against need years and booking goals; and
- Increasing top-of-mind awareness for Hawai'i as a business destination.

Hawai'i Convention Center Sales and Marketing

SMG Hawai'i and HVCB's CMI division continued to promote the State of Hawai'i as a premier meetings, conventions and incentive destination using the tagline – *Where Business and Aloha Meet* through ad campaigns featured in various national meetings publications and its Web site *BusinessAloha.com*.

Below are highlights of SMG Hawai'i's marketing activities and accomplishments:

- This year, a new Web site directed towards the growing clean energy industry was launched. The Clean Energy Web site



American Dental Association Convention, held Sept. 30 - Oct. 4, drew more than 24,000 delegates to Hawai'i.

(cleanenergy.hawaiiiconvention.com) was designed to provide meeting and event planners who work for associations and groups in the clean energy field with information on the sustainable initiatives of the HCC, the hotel community and the State of Hawai'i. The site includes interviews with clean energy leaders from government and private sectors about the various technologies being tested and developed in Hawai'i, as well as information on the Hawai'i Clean Energy Initiative, which enables organizations to access federal funds when developing renewable energy technology in Hawai'i. The Web site, which will be available in Japanese, Korean, Mandarin, and German, is a resource that HCC sales representatives and others may use to generate bookings;

- Successful attendance building programs were executed for the International Society of Magnetic Resonance in Medicine,

Business Marketing

American Academy of Pediatric Dentistry and American Society of Human Genetics (see page 32);

- HCC hosted the 150th Anniversary of the American Dental Association, the largest conclave of dentists and industry professionals in the world. 24,649 delegates attended the event which contributed to the bookings of more than 198,000 room nights;
- Developed the second generation Hawai'i Advantage piece promoting the HCC "Global Outreach" program, which targets associations seeking opportunities to draw attendance from both sides of the Pacific. The colorful booklet provides information about world-class technology statewide, Hawai'i's premiere location touting "where East meets West," affordability, and the cultural assets of Hawai'i; and
- HCC launched the 50th Anniversary of Hawai'i Statehood promotion at the January annual meeting of the Professional Convention and Meetings Association in New Orleans, which targets associations with more than 3,000 attendees and 1,500 peak rooms using two hotels or more. The promotion provides incentives for planners to book Hawai'i in "need" years.

For more on the HCC, see page 32.

Corporate Meetings & Incentives

The primary objectives of HVCB's CMI division are to generate leads for new business opportunities, and to promote the State of Hawai'i's attributes as a destination for world-class meetings and conventions.

The five leading business-generating activities undertaken by HVCB in 2009 are as follows:

- The Added Value Resource Center on *BusinessAloha.com* featured five new programs offering meeting planners and their clients an expanding menu of cost-saving and value-added initiatives when booking programs in Hawai'i. More than 450 companies and activities participated in the program;
- Asia Marketing Expansion included the Japan Incentive Program, a cost-savings initiative that had the dual impact of making Hawai'i more appealing for group bookings, while enabling the state to remain competitive with rival destinations in Asia. HVCB also initiated a program of direct sales activities in both China and South Korea to tap into the potential of these emerging markets;
- Two new online tools extended HVCB's reach into Asia with translated versions of its Meeting Planner Guide and Added Value Resource Center for the benefit of groups based in Japan, Korea, China, and Taiwan;
- Renewed focus on the high-yield corporate incentives segment, which comprises the largest segment of Hawai'i's meetings-related business – an estimated 35 to 40 percent in 2009; and
- Improved collaboration with island chapters, the HCC and HTA's international marketing partners, which resulted in all of the industry partners sharing a unified message for selling Hawai'i as a meetings destination.

SONY OPEN IN HAWAII



Sony Open

Sports Marketing

Sporting events offer several benefits for Hawai'i:

- **Economic Impact:** People coming to Hawai'i to participate, attend or operate events translates to visitor spending, which helps to sustain jobs and generate tax revenues;
- **Media Coverage:** Positive national and international publicity and media coverage promotes Hawai'i as a desirable sports venue and an attractive visitor destination; and
- **Enhancing Residents' Quality of Life:** Sporting events provide residents with opportunities to attend, participate and/or volunteer, which add to our quality of life. In addition, almost every major event has a charitable component, which gives back to the community.

Recognizing these benefits, HTA developed a sports marketing program designed to increase Hawai'i's sports presence to a globally competitive level and to facilitate sports business development in Hawai'i.



Ford Ironman World Championship



EA Sports Maui Invitational



Sheraton Hawai'i Bowl



Maui Jim Hawai'i Marlin Tournament Series

In 2009, the HTA's Sports Marketing Program included the following highlights:

- The 2009 **NFL Pro Bowl** brought in approximately 18,487 visitors, accounting for \$28.6 million in visitor spending and \$2.9 million in state taxes. The Nielsen national rating for the Pro Bowl was 5.4 percent. The HTA is in agreement with the NFL to extend the Pro Bowl contract another two years with the first game of this new contract being held in 2011.
- The HTA's partnership with the **PGA Tour** brought five professional golf tournaments to Hawai'i in 2009, including:
 - Mercedes-Benz Championship
 - Sony Open in Hawai'i
 - MasterCard Championship at Hualālai
 - The Wendy's Skins Game
 - SBS Open

The golf tournaments resulted in more than 20 hours of television coverage broadcast nationally during the winter months. The HTA is reviewing its partnership with the PGA Tour by assessing the structure of the contract and

its present value and relevance in Hawai'i's golf market.

- Through its new agreement with ESPN, the HTA provided initial funding for the **Diamond Head Classic** basketball tournament. With the initial investment, ESPN was able to aggressively search for a tournament title sponsor, and as a result, secured Hawaiian Airlines. In addition, the HTA was able to acquire more than 20 hours of television coverage, 40 commercial units, substantially increase Hawai'i's ESPN online presence, gain additional marketing assets at other ESPN-owned events and indirectly support four other sporting events:
 - **Nā Wāhine O Ke Kai**, September 27, 2009 (Moloka'i to O'ahu)
 - **Moloka'i Hoe**, October 11, 2009 (Moloka'i to O'ahu)
 - **The Kaua'i Marathon**, September 6, 2009 (Kaua'i)
 - **The Quiksilver in memory of Eddie Aikau**, December 2009 – February 2010 (O'ahu)

Portfolio of Sports Events

In addition to the NFL Pro Bowl, PGA Tour and relationship with ESPN, the HTA invested in other sports events for 2009, as listed below:

- **Honolulu Triathlon**
May 16-17, 2009 (O'ahu)
- **Maui Jim Hawai'i Marlin Tournament Series**
June to October 2009
(Hawai'i and O'ahu)
- **Maui Marathon**
September 20, 2009 (Maui)
- **Ford Ironman World Championship**
October 10, 2009 (Hawai'i)
- **Xterra World Championships**
October 25, 2009 (Maui)
- **EA Sports Maui Invitational**
November 23-25, 2009 (Maui)
- **Xterra Trail Run World Championship**
December 6, 2009 (O'ahu)
- **Diamond Head Classic**
December 22-25, 2009 (O'ahu)
- **Sheraton Hawai'i Bowl**
December 24, 2009 (O'ahu)

Visitor Profile by MMA

To appeal to different geographic markets, the HTA, on behalf of the state, has defined major market areas (MMAs) based on visitor characteristics, state of market development and competitive environment. The following are profiles of Hawai'i leisure visitors by MMA:

NORTH AMERICA* (U.S. WEST, U.S. EAST AND CANADA)

U.S. WEST*:

Primary Purpose of Stay:	Pleasure (1,714,158) vs. MCI (95,670)
Average Length of Stay:	9.48 days
First Time Visitors:	19.6%
Repeat Visitors:	80.4%
Average Number of Trips:	6.75

U.S. EAST*:

Primary Purpose of Stay:	Pleasure (956,372) vs. MCI (106,812)
Average Length of Stay:	10.38 days
First Time Visitors:	43.5%
Repeat Visitors:	56.5%
Average Number of Trips:	3.91

CANADA*:

Primary Purpose of Stay:	Pleasure (220,100) vs. MCI (12,925)
Average Length of Stay:	12.48 days
First Time Visitors:	38.9%
Repeat Visitors:	61.1%
Average Number of Trips:	3.84

JAPAN*

Primary Purpose of Stay:	Pleasure (769,830) vs. MCI (20,157)
Average Length of Stay:	5.85 days
First Time Visitors:	40.6%
Repeat Visitors:	59.4%
Average Number of Trips:	3.87

OTHER ASIA**

Primary Purpose of Stay:	Pleasure (76,904) vs. MCI (16,262)
Average Length of Stay:	7.23 days
First Time Visitors:	74.5%
Repeat Visitors:	25.5%
Average Number of Trips:	2.08

OCEANIA**

Primary Purpose of Stay:	Pleasure (139,521) vs. MCI (5,769)
Average Length of Stay:	8.64 days
First Time Visitors:	52.9%
Repeat Visitors:	47.1%
Average Number of Trips:	2.45

EUROPE**

Primary Purpose of Stay:	Pleasure (97,676) vs. MCI (7,312)
Average Length of Stay:	12.80 days
First Time Visitors:	70.4%
Repeat Visitors:	29.6%
Average Number of Trips:	2.30

* 2009 Preliminary data through September

**2008 data, since 2009 preliminary data is not yet available for these markets.

Source: State of Hawai'i Department of Business, Economic Development & Tourism and HTA

5. Natural Resources

Goal: *To respect, enhance and perpetuate Hawai'i's natural resources to ensure a high level of satisfaction for residents and visitors.*

2009 Budget: \$2,000,000

HTA's Natural Resources Program began in FY 2003 following a proviso by the Hawai'i State Legislature in the 2002 Session that directed HTA to provide at least \$1 million annually from its budget to support efforts to manage, improve and protect Hawai'i's natural environment and areas frequented by visitors. An additional \$1 million from HTA's Tourism Special Fund is also provided annually directly to the Hawai'i State Department of Land and Natural Resources (DLNR).

Through this program in 2009, the HTA:

- Provided \$1 million to DLNR to support the Nā Ala Hele Trails and Access Program and its State Parks Division. These funds were used to hire additional DLNR staff to manage and maintain trails across the state, and for maintenance and improvement work to be done at the following sites:
 - Hawai'i Island - 'Akaka Falls State Park;
 - Kaua'i - Polihale State Park, Kōke'e and Waimea Canyon State Park Complex, and Wailua River State Park;
 - Maui - 'Iao Valley State Monument; and
 - O'ahu - Ka Iwi Scenic Shoreline.
- Supported 26 community-based projects throughout the state (a complete list of projects can be found on the HTA Web site).

2009 Natural Resources Program

The following is a partial list of community-based programs that received funding from HTA in 2009. A complete list of projects can be found on the HTA Web site.

Organization	Project Title	Description	Island
E Mau Nā Ala Hele	Development of the Reservation Trail & Trailhead Kiosk at Pu'u Wa'awa'a Forest Reserve	Coordinates the expansion and the construction of a trailhead kiosk to improve visitor understanding.	Hawai'i Island
Ke 'Aupuni Lōkahi, Inc.	Ala Pālā'au	Supports restoration of forest, rare species, and trails.	Moloka'i
Kīpahulu 'Ōhana, Inc.	Cable Ridge Native Forest Protection and Restoration Project	Supports protection of the native forest.	Maui
Mālama Nā Honu	Mālama Nā Honu Education and Conservation Project	Provides educational outreach to visitors and residents on Hawaiian green sea turtles.	O'ahu
Nāpali Coast 'Ōhana	Nu'alolo Kai Botanical Restoration Demonstration Project	Supports protection and restoration efforts and educational opportunities.	Kaua'i

Natural Resources Advisory Group

In 2002, the HTA established the Natural Resources Advisory Group (NRAG), a group of individuals from the public and private sectors, whose expertise relative to Hawai'i's natural environment have helped to shape the HTA's Natural Resources Program in line with the State TSP by identifying priorities, establishing objectives and setting criteria.

Today, the NRAG continues to assist HTA in this area, working in support of Hawai'i's visitor industry, community and environment, and currently includes the following individuals:

- Curt Cottrell, *Department of Land and Natural Resources (DLNR)*
- Mark Fox, *The Nature Conservancy*
- Annette Ka'ohelaui'i, *Hawaii Ecotourism Association*
- Daniel Naho'opi'i, *Hawai'i Tourism Authority*
- Dan Quinn, *State Parks Division, DLNR*
- Vincent Shigekuni, *PBR Hawaii*
- T. Aulani Wilhelm, *Papahānaumokuākea Marine National Monument*

6. Research and Planning

Goal: *To perform collaborative research and planning for use in the development of programs, policies and plans that will positively contribute to the state's economy, benefit the community and sustain Hawai'i's resources.*

2009 Budget: \$1,598,000

Marketing Effectiveness Study

The HTA continued its accountability measurement system to track the impact and effectiveness of its marketing programs in three MMAs – U.S. West, U.S. East and Japan. This year, the HTA selected D.K. Shifflet & Associates to conduct the survey and analyze the collected data. The results are compared against the previous quarter to gauge changes in consumers' attitudes about Hawai'i as a destination. The final 2009 report is scheduled to be released in the second quarter of 2010. Year-to-date quarterly reports are available on HTA's Web site.

Market Share Analysis

HTA is also conducting a market share analysis of Hawai'i's major markets to further evaluate its performance against competitors. HTA is working with Hospitality Advisors and Smith Travel Research on obtaining data.

Resident Sentiments on Tourism Survey

The HTA conducts a survey of resident sentiments on tourism each year to gauge resident feelings about tourism and to understand stress

triggers and benefits generated by Hawai'i's leading industry. The information generated by the survey provides insight into areas that tourism can help make better for residents, provides measurements for achieving goals and objectives of the State TSP, and is one of the identified performance benchmarks of the State TSP. The 2009 survey was enhanced to better align and track efforts conducted to achieve the state's vision for tourism and to reflect new issues affecting Hawai'i's tourism industry. The 2009 report is scheduled for release by year-end.

HTA Strategic Plan: 2010 – 2012

Tourism is the most impactful and immediate way to fix Hawai'i's struggling economy, and in this rapidly changing market, the Hawai'i Tourism Authority (HTA) has had to change the way it conducts business, to deal with both the short-term current crisis facing Hawai'i's tourism industry, as well as the longer-term challenge of achieving a healthy and sustainable industry that provides maximum benefits to Hawai'i's community. In order to be responsive in a way that is effective and efficient, while being respectful and sensitive to the needs of the community, HTA developed its *HTA Strategic Plan: 2010-2012*. Inherent in the plan is the recognition that a successful, sustainable tourism industry, honors Hawai'i's host culture, its customs and its history. Currently in its development stage, the plan will be completed by the end of the year.

Tourism Research

In July 2009, the HTA began overseeing tourism research functions and responsibilities previously conducted by DBEDT due to Act 5, Special Session of 2009.

The statistical and analytical data are valuable resources to those in government, the visitor industry, private businesses, and community members who are involved in decision-making on state marketing efforts, industry planning and tourism policy-making.

Monthly visitor statistics reports contain information on the following: a summary of the visitors to Hawai'i; visitor characteristics by MMA; data by island; per-person daily expenditures by MMA and by island; air seat capacity; and cruise ship data. Additional reports include visitor satisfaction, an annual visitor research report, quarterly visitor expenditures reports, and an annual visitor plant inventory.



View visitor statistics at
www.hawaii-tourismauthority.org/monthly_stats

7. Safety and Security

Goal: *To achieve a safe Hawai'i visitor experience.*

2009 Budget: \$575,000

The HTA is identified as a support entity in this initiative, and as such, is committed to assisting other lead agencies and organizations that are responsible for ensuring that Hawai'i continues to be a safe and secure visitor destination.

Crisis Planning

HTA continued to collaborate with the State Tourism Liaison, state and county civil defense agencies, visitor industry businesses and associations, and federal emergency agencies to plan for and discuss potential crisis/emergency scenarios that could affect visitors while vacationing in Hawai'i as well as identify ways for increased partnership and preparedness in mitigating disasters and providing assistance to Hawai'i's visitors. In 2009, HTA monitored the situation involving Hurricane Felicia and made available information relating to the storm to Hawai'i visitors and the visitor industry network.

Security Camera Surveillance Systems – A State and County Partnership

HTA continued to work with each of the counties to develop and implement security camera surveillance systems in public areas frequented by visitors and residents as follows:

- In August 2009, HTA approved Maui's security camera surveillance system plan which is expected to be implemented by year-end. The program is a reflection of a collaborative partnership between the Maui County Police, the Office of Economic Development, county parks management, numerous community organizations, and the HTA.
- HTA is also working with Hawai'i County and the City and County of Honolulu which will be implementing programs through 2010.

Note: The lack of supporting resources to implement this program resulted in the County of Kaua'i terminating its agreement with the HTA.

Visitor Assistance Programs

When visitors in Hawai'i are affected by crime and other adversities, Hawai'i's hospitality is exemplified by the Visitor Assistance Programs (VAP) available in each county. These agencies, along with their volunteers and a wide network of partner organizations from outside and within the visitor industry, offer assistance in many forms including guidance and support, restaurant coupons, amenity bags, lodging and airline assistance, and bereavement services. Referrals for assistance are provided by various entities including county police departments, visitor bureaus, visitor industry businesses, hospitals, and community organizations.

Safety and Security: VAP Contacts -

Through June 2009, VAP volunteers assisted with more than 1,700 cases on O'ahu, Kaua'i, Maui, and Hawai'i Island that involved visitors who were victims of crime or experienced unexpected hardships. VAP is funded by HTA with additional support provided by the visitor industry. For more information or to find out how you can volunteer, please contact a VAP on your island:

Visitor Aloha Society of Hawai'i (O'ahu)

Ph: (808) 926-8274

Visitor Aloha Society of Kaua'i

Ph: (808) 482-0111

Maui Visitors Bureau (Maui County)

Ph: (808) 244-3530

Visitor Aloha Society of Hawai'i Island

Ph: (808) 756-0785 - Kona

Ph: (808) 756-1472 - Hilo

8. Tourism Product Development

Goal: *To provide a diverse and quality tourism product unique to Hawai'i that enhances the Hawai'i visitor experience and enriches residents' quality of life.*

2009 Budget: \$2,725,000

HTA's primary efforts in this initiative are centered on the experiential aspects of the tourism product. Specifically, HTA's efforts for the year are listed below:

Product Enrichment Program

The County Product Enrichment Program (CPEP) is a partnership between the HTA and each of the four counties to diversify and enrich Hawai'i's tourism product in line with Chapter 201B of the Hawai'i Revised Statutes, which provides for HTA to coordinate the development of new products with the counties and other persons in the public and private sectors, including the development of sports, culture, health and wellness, education, technology, agriculture, and nature tourism. As the HTA already has a program dedicated to sports tourism, the CPEP focuses on developing new and enhancing existing community-based events, experiences and projects related to activities in the other six niche areas.

In 2009, \$1.7 million was shared among the four counties. No funds were available for the Statewide PEP (SPEP) that was intended to cover multi-county or special activities. As such, the projects, which may have been covered under the SPEP, were absorbed into the CPEP when possible (a complete list of all projects is available on the HTA Web site).



Hawaiiiana Festival (County of Kaua'i)



Ku'u Ka Maka (County of Maui)



Korean Festival (County of Honolulu)



**Queen Lili'uokalani Festival
(County of Hawai'i)**



Hawai'i International Film Festival (O'ahu)

Major

HTA supports Major Festivals that portray the diversity and culture of Hawai'i while drawing significant attendance to the state. Festivals that receive support under this program market and promote their activities locally and outside of the state. In 2009, the HTA supported six major festivals, including at least one signature event per county:

Hawai'i International Film Festival –

Established in 1981, the Hawai'i International Film Festival (HIFF) is dedicated to the advancement of understanding and cultural exchange among individuals from Asia, the Pacific and North America, through the medium of film. HIFF is the premier cinematic event in the Pacific that has more than 12 screening sites throughout the state and attracts nearly 80,000 visitors and residents.



Honolulu Festival (O'ahu)



Kōloa Plantation Days (Kaua'i)



Maui Film Festival at Wailea

Festivals Program

Honolulu Festival –

The Honolulu Festival is one of Hawai'i's most unique cultural events, promoting understanding, economic cooperation and ethnic harmony between the people of Hawai'i and the Asia-Pacific region. Attracting over 90,000 spectators, this three-day event features artistic, cultural and educational events throughout O'ahu and concludes with a grand parade in Waikiki.

Kōloa Plantation Days –

"From Sugar to Statehood" marks the 25th year of this annual event held on Kaua'i's South Shore, where many ethnic groups migrated to work on the sugar plantations. The nine-day festival celebrates the plantation heritage and vitality of the community with activities ranging from sporting events, nature walks, craft fairs, and rodeos.

Kona Coffee Cultural Festival –

Now in its 39th year, the Kona Coffee Cultural Festival is a celebration and promotion of one of the world's most coveted coffees and the multi-cultural heritage of its Kona coffee pioneers. As the only coffee festival in the United States, this one-of-a-kind event features contests, food tastings, parades, a scholarship pageant, farm tours, and exhibits.



Maui Film Festival at Wailea –

The Maui Film Festival is a five-day annual event where visitors can watch quality films under clear skies on Wailea Beach. In addition to movie-going, attendees can participate in exciting activities such as filmmaker panels and world-class culinary events.

Pan Pacific/Matsuri in Hawai'i Festival –

The goal of the Pan Pacific/Matsuri Festival is to foster goodwill and understanding, to cultivate friendship and to nurture the appreciation of diversity. This three-day intercultural event includes festivities such as a Waikiki block party, hula festival, food and crafts, and other entertainment from around the world.



Tourism Product Development

Technical Assistance and Capacity Building

Within this initiative, one of HTA's major focuses this year was to provide support to festival and event organizers for capacity building and improving the quality of festivals and events offered in the state. The two efforts under this area include:

- **Annual Festivals and Events Seminar**

In May, the HTA sponsored its fifth annual Hawai'i Festivals and Events Seminar, "Re-Invention for Changing Market Needs." Due to budgetary constraints, this year's seminar was held on O'ahu only. The seminar attracted 233 attendees who participated in various professional development opportunities. The seminar featured national and local speakers.

- **Certified Festival and Event Executive Program**

Ten Hawai'i festival and event professionals graduated from the Certified Festival and Event Executive (CFEE) program, a professional certification program offered



Hawai'i graduates of the Certified Festival & Event Executive (CFEE) program.

by the International Festivals and Events Association (IFEA) to help event professionals enhance and improve their product. These Hawai'i graduates represent the first graduates worldwide of the new CFEE FastTrack® Program. The program was first developed by the IFEA, the premier association supporting and enabling festival and event professionals worldwide, in partnership with the HTA, and offers the same skills assessment, elective and educational requirements, and professional recognition as the pre-existing CFEE Certification Program but, with the support of the HTA, at a fraction of the time, travel and cost to the participants in Hawai'i.

The Hawai'i graduates represent a wide range of organizations throughout the state – five from Hawai'i Island, two from Maui, one from Moloka'i, and two from O'ahu. 2009 CFEE graduates and organizations are as follows:

Hawai'i Island

- Moani Akana, CFEE, Hawai'i Arts Ensemble/Hālau Hula Ka No'eau & "Hawai'i Island Festival - 30 Days of Aloha"
- Stephanie Donoho, CFEE, County of Hawai'i, Department of Research & Development
- Lorie Farrell, CFEE, Big Island Farm Bureau
- Judith Fox-Goldstein, B.A., CFEE, CMT, University of Hawai'i at Hilo Conference Center & Hawaiian Edventure Program
- Alice Moon, CFEE, Alice Moon & Company

Maui

- Claudia Kalaola, CFEE, Kahanu Garden –

- National Tropical Botanical Garden
- Lori Mellenbruch, CFEE, Maui Ocean Center

Moloka'i

- Clare Mawae, CFEE, Youth in Motion

O'ahu

- Mark Santoki, CFEE, Hawai'i United Okinawa Association
- Winston Welch, CFEE, World History Association

Post-Arrival Promotional Campaign

The Post-Arrival Promotional Campaign supports island festivals and events that receive funding from HTA. The campaign provides information to post-arrival visitors, as well as residents, about the many quality festivals and events happening in Hawai'i.

The *Festivals of Hawai'i* campaign includes print, television, radio, and Internet media, as well as a promotional effort targeted at hotel concierges throughout the state. A toll free number - 1-877-FESTFUN (337-8386) - is updated weekly with information on upcoming events, sponsored in part by the HTA, around the state.



Festivals of Hawai'i print ad

9. Workforce Development

Goal: *To ensure a sufficient and highly-qualified workforce that is provided with meaningful careers and advancement opportunities.*

2009 Budget: \$250,000

HTA's efforts in this initiative are listed below:

Tourism Workforce Coordinator, Advisory Council and Web site

Through HTA's partnership with the State of Hawai'i Department of Labor and Industrial Relations, three actions recommended in the *Tourism Workforce Development Strategic Plan 2007 – 2015* that was developed by the University of Hawai'i at Mānoa, School of Travel Industry Management (TIM), were implemented in 2009:

- Establishment of a Tourism Workforce Advisory Council, which consists of 16 public and private stakeholders from various visitor and related industries, whose functions include planning, coordinating and implementing tourism-related employment and workforce development services and strategies;
- Hiring of a Tourism Workforce Coordinator at TIM who provides leadership, communication, and coordination functions for tourism workforce education and training issues; and
- Establishment of a tourism workforce Web site, hitourismcareers.org, that is dedicated solely to tourism with up-to-date, accurate information on occupations, opportunities, compensation, and available training.

Hospitality Education Program

The Hospitality Education Program is an expansion of the current Academy of Hospitality and Tourism (AOHT) program. The program focuses on encouraging students to consider a career in Hawai'i's visitor industry in an effort to sustain and support the current and future industry workforce. Through this program, students are exposed at an earlier age to the industry for the purpose of gaining a better understanding of what the industry entails and the skills and education that is needed for building a career in hospitality. Currently, the AOHT program supports three high schools on O'ahu and Kaua'i with plans to expand to more high schools statewide.

Chinese, Korean, and Japanese Language & Culture Training

Continuing into 2009, the HTA partnered with Kapi'olani Community College (KCC) Office of Continuing Education and Training to develop and conduct training programs to prepare the visitor industry workforce with the tools they need – language training, cultural understanding and perspective, protocol awareness, and knowledge of customs – to provide quality service to emerging markets. Many industry-related business including high-end luxury retailers, associations and hotels have utilized this training.

In fall, KCC developed and launched an online component to supplement this training. This online component is a great resource tool for students who have taken the training and would like to continue learning on their own.



Ho'okipa Me Ke Aloha training

Ho'okipa Me Ke Aloha Program

This initiative began in 2007 through a partnership with KCC's Interpret Hawai'i Program to work with selected trainers statewide and certify them to deliver hospitality training to their respective islands. Through this program, industry personnel gain a deeper sense of place and renewed respect for Hawai'i, its history, culture and language, setting a higher standard for personal and professional development. Participants also learn practical methods to enhance customer service practices with traditional Hawaiian values that can be uniformly applied to co-worker, community and customer interactions. There are four modules for this training and by September 2009, there were certified trainers statewide on two of the four modules. Upon completion of all modules, trainers will receive a Ho'okipa Me Ke Aloha Train-the-Trainer Certification of Professional Development from KCC.

III. Hawai'i Convention Center

The world-class Hawai'i Convention Center (HCC), marketed and managed by SMG Hawai'i, continues to generate millions of dollars into the economy through offshore meetings and conventions and is a platform for economic and business development now and into the future. HCC also serves as a welcoming host venue for a myriad of local community events including educational conferences, consumer shows, expos, fellowship gatherings, and catered events. The Center's culinary team continues to receive accolades and repeat business from clients who have a discerning palate and demanding banquet requirements.

HCC Major Highlights for 2009:

- *Business Traveler Magazine* bestowed the HCC with its Best Convention/Conference Center Award. This is the first year that this category has been recognized.
- *Facilities Magazine* presented the HCC with its Prime Site award for the 11th consecutive year (1998-2009). Votes are cast by convention center planners and attendees.
- An online venue finder was launched for the Japanese market to give meeting planners and event organizers a resource to access information to include in preliminary proposals for corporate meetings and incentive groups. General descriptions, floor plans, photos, and rules and regulations are available for download on this Web site.
- The Assistant General Manager of the HCC was named to the board of directors of

the Professional Convention Management Association (PCMA). HCC was the location of the organization's annual meeting in 2005 and it is one of 12 strategic partners within the PCMA. These partnerships provide the HCC team access to the most senior level meeting executives in the association, corporate, tradeshow, and independent meeting markets and additional exposure on the PCMA Web site and at events.

Community Relations:

HCC was a proud sponsor of major events accentuating the Hawaiian culture including the eighth annual conference of the Council for Native Hawaiian Advancement and the International Waikiki Hula Conference.

The Center was also the host venue for *Pacific Business News'* "Forty Under Forty" and "Women Who Mean Business" award recognition programs. The Miss Hawai'i pageant was also held at the HCC for the first time this year. Another special event hosted by the HCC was the Hawai'i Statehood Conference hosted by Governor Lingle commemorating the 50th Anniversary of Statehood.

Other major community events providing local residents with opportunities to enjoy the HCC included the First Hawaiian International Auto Show, Lantern Floating Hawai'i 2009, "Taking Control of Your Diabetes," the Honolulu Marathon, and the "Read to Me" annual conference.

Hawai'i Convention Center Top Events of 2009

150th American Dental Association Annual Session:

Delegates: 24,649
Room Nights: 198,178
Visitor Spending Generated: \$116,387,339

American Society of Human Genetics 2009 Annual Meeting:

Delegates: 5,800
Room Nights: 46,632
Visitor Spending Generated: \$27,386,367

International Society for Magnetic Resonance in Medicine, 17th Scientific Meeting and Exhibition:

Delegates: 5,675
Room Nights: 45,627
Visitor Spending Generated: \$26,796,144

62nd American Academy of Pediatric Dentistry Annual Session:

Delegates: 4,838
Room Nights: 38,898
Visitor Spending Generated: \$22,844,008

American Academy of Cosmetic Dentistry 2009 Scientific Session:

Delegates: 3,467
Room Nights: 27,875
Visitor Spending Generated: \$16,370,437

IV. Hawai'i's Visitor Industry

The overall health of the visitor industry is measured by four high level performance indicators that are noted in the State TSP:

- Visitor Expenditures;
- Visitor Satisfaction;
- Resident Sentiments; and
- Tax Receipts.

These measures of a healthy and sustainable visitor industry are based on economic growth and benefits, satisfied visitors and most importantly, satisfied residents. All of these elements are essential to the long-term health of tourism in Hawai'i.

Visitor Industry Performance

The industry's projected performance for 2009, as compared to last year's (2008) performance in terms of visitor expenditures, visitor days and visitor arrivals are listed by Major Market Areas, business supplement and cruise ship passengers in the following table:

**Table 1:
2008 Performance and 2009 Projected Performance by MMA**

	Visitor Expenditures		Visitor Days		Visitor Arrivals	
	2009* Projections (\$billion)	2008 Actual (\$billion)	2009* Projections (million)	2008 Actual (million)	2009* Projections (million)	2008 Actual (million)
US West	3.522	3.897	25.823	26.649	2.737	2.769
US East	2.663	3.225	16.123	17.587	1.561	1.683
Japan	1.719	1.944	6.447	6.744	1.098	1.175
Canada	0.577	0.711	4.130	4.632	0.341	0.360
Others	1.261	1.404	7.525	7.517	0.673	0.726
Business supplement	0.179	0.178	NA	NA	NA	NA
Visitors by cruise ships	0.036	0.038	1.200	0.727	0.107	0.109
Total	9.956	11.399	61.248	63.857	6.517	6.823

NA – Not applicable

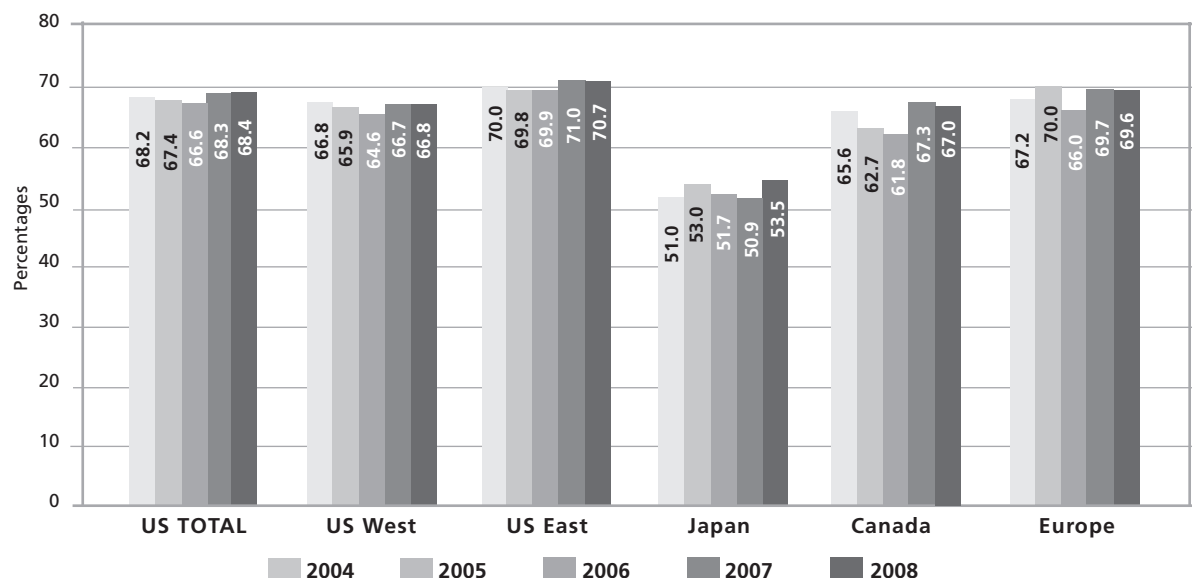
* 2009 projections are based on actual information from January-September and projections for the months of October, November and December 2009.

Source: State of Hawai'i Department of Business, Economic Development & Tourism and HTA

Hawai'i's Visitor Industry

Visitor Satisfaction

Table 2:
Overall Visitor Satisfaction Percentages by select MMAs:
U.S. Total, U.S. West, U.S. East, Japan, Canada and Europe for 2004 - 2008
(Overall rating of trip was excellent)



Source: State of Hawai'i Department of Business, Economic Development & Tourism and HTA

Resident Sentiment Survey

Another measurement of the State TSP is resident sentiments. An important question on the survey is listed below:

Agree or disagree: *"Overall, tourism has brought more benefits than problems to this island."*

- Survey conducted in 2007 73 percent agree
- Survey conducted in 2006 74 percent agree
- Survey conducted in 2005 71 percent agree

Source: Market Trends Pacific, Inc., and John M. Knox & Associates

Top 10 Visited Attractions in 2008

1. U.S.S. Arizona Memorial, O'ahu	1,407,879
2. Hawai'i Volcanoes National Park, Hawai'i Island	1,270,538
3. Haleakalā National Park, Maui	1,185,068
4. Polynesian Cultural Center	657,553
5. Honolulu Zoo, O'ahu	599,422
6. Diamond Head State Monument, O'ahu	536,009
7. Kilauea Point National Wildlife Refuge, Kaua'i	459,000
8. Pu'u'honua O Hōnaunau, Hawai'i Island	414,667
9. Battleship Missouri Memorial, O'ahu	389,114
10. Aquarium Maui/ Maui Ocean Center, Maui	366,754

Source: State of Hawai'i Department of Business, Economic Development & Tourism

Hawai'i's Visitor Industry

Transient Accommodations Tax (TAT) Collections

Another measurement of the industry's performance is the amount of TAT collections that the state receives each month. The more TAT collected, the more benefits that are accrued to the state as a whole, to the individual counties, and also, to Hawai'i's residents. Importantly, this revenue finds its way into the local community on each island, to support schools, police, infrastructure and parks, and contributing to an improved quality of life for all.

As of July 1, 2007, the TAT revenues collected for the state are distributed as follows:

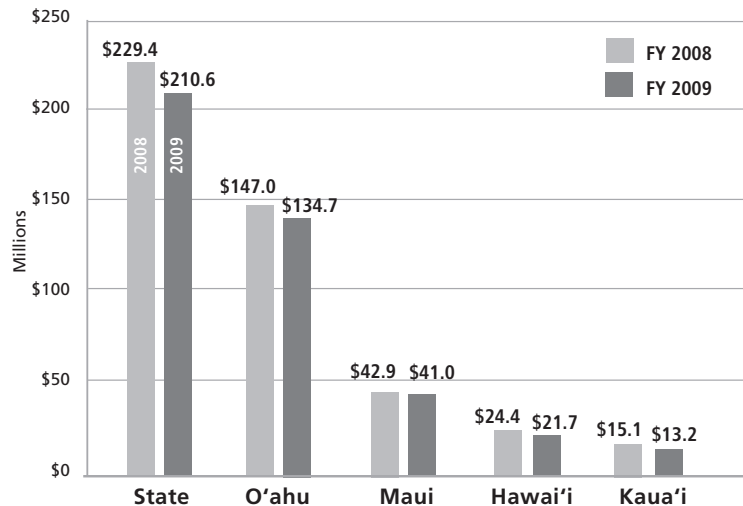
- 17.3 percent is deposited into the convention center enterprise special fund;
- 34.2 percent is deposited into the tourism special fund (HTA's fund);
- 3.7 percent is deposited into the general fund; and
- 44.8 percent is distributed to the counties (14.5 percent to Kaua'i, 18.6 percent to Hawai'i, 22.8 percent to Maui, and 44.1 percent to Honolulu).

Economic Contributions of Hawai'i's Travel & Tourism Industry in 2008

- Hawai'i's Travel & Tourism Industry produced \$10.7 billion or 16.8 percent of Gross State Product;
- Hawai'i's Travel & Tourism Industry accounted for approximately 151,300 jobs or 17.5 percent of total employment for the state; and
- Hawai'i's Travel & Tourism Industry contributed \$986.1 million tax dollars to the state government or 19.5 percent of total state tax revenue.

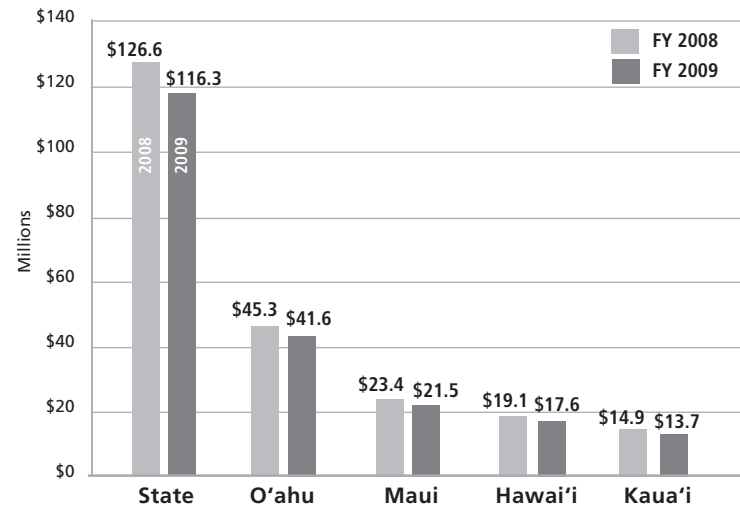
Source: State of Hawai'i Department of Business, Economic Development & Tourism and HTA

Table 3:
TAT Collections for the State and by County:
FY 2008 and FY 2009



Source: State of Hawai'i Department of Taxation

Table 4:
TAT Distribution to the State and to each County:
FY 2008 and FY 2009



Source: State of Hawai'i Department of Taxation

V. HTA Fiscal Year (FY) 2009 Actuals

Hawai'i Tourism Authority Fiscal Year 2009 Actuals (\$000)

REVENUES

Tourism Special Fund	\$71,030
Investment Pool Interest/Miscellaneous Receipts	447

TOTAL REVENUES

\$71,477

APPROPRIATIONS

FY 2009	\$88,000
---------	----------

TOTAL APPROPRIATIONS

\$88,000

HTA EXPENDITURES

Administrative Costs	2,800
Sports & Festival Events (Includes Pro Bowl/PGA)	7,229
Community & Special Events	7,540
Product Development	3,422

MAJOR MARKETING

Leisure Marketing	37,520
Meetings, Conventions & Incentives Costs	8,764

TOTAL HTA EXPENDITURES

\$67,275

Hawai'i Tourism Authority

Hawai'i Convention Center

1801 Kalākaua Avenue

Honolulu, Hawai'i 96815

(808) 973-2255

www.hawaii tourism authority.org



Printed in Hawai'i on Recycled paper